NOV - 9 2016

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2 290 BROADWAY NEW YORK, NY 10007-1866

Mr. Lawrence J. McShea, P.E. Project Manager Arconic, Inc. 100 Technical Drive

Alcoa Center, Pennsylvania 15069

Re:

Arconic, Inc. Massena, New York Facility, EPA I.D. No. NYD002232304 formerly Alcoa, Inc.) Approval to Re-Open Existing Cell 3 of the Chemical Waste Landfill; PA Review of Proposed Cell 3 Expansion

Dear Mr. McShea:

By this letter, the United States Environmental Protection Agency, Region 2, ("EPA") grants approval for re-opening the existing Cell 3 of the chemical waste landfill at the Massena New York facility of Arconic, Inc., formerly the Aluminum Company of America, ("Alcoa" or "ALCOA"), for the disposal of waste containing polychlorinated biphenyls (PCBs); and notifies Arconic, Inc. ("Arconic") that EPA is reviewing the design of a proposed expansion of Cell 3, which requires a future, separate EPA approval. The chemical waste landfill is herein designated as the "Arconic/Alcoa landfill", except where it is otherwise designated as the Alcoa landfill or the ALCOA landfill in previous letters and documents.

On July 20, 1993, EPA approved the construction of the Arconic/Alcoa landfill for PCB disposal. Cell 3 of the landfill was designed and constructed with the approval of the New York Department of Environmental Conservation ("NYSDEC") for the disposal of PCB waste at or associated with the Alcoa, Massena, New York facility as determined by NYSDEC and sediment and debris removed from the lower Grasse River site as determined by EPA. NYSDEC granted Alcoa approval to operate Cell 3 of the Arconic/Alcoa landfill on July 6, 2005. The initial EPA Region 2 PCB approval, issued on July 29, 2005, authorized Cell 3 to operate and receive PCB waste from the sources specified by NYSDEC for a five year period, which expired in 2010, at which time an interim cap was installed.

Principal documents which EPA considered in reaching the determinations contained in this Approval include the following:

July 20, 1993

William J. Muszynski, P.E., acting Regional Administrator of EPA Region 2, letter to Timothy Mach, ALCOA Plant Manager, approving the construction of the ALCOA landfill.

July 29, 2005	Kathleen C. Callahan, acting Regional Administrator of EPA Region 2, letter to Bruce Cook of ALCOA, including appendices, granting EPA approval for the construction and operation of Cell 3.
August 25, 2015	Peter R. Taylor, P.E. of NYSDEC letter to Michael Eisner of ALCOA, approving re-opening of Cell 3 subject to certain conditions.
September 1, 2015	Michael Elsner of ALCOA letter to John Gorman of EPA, ALCOA Massena West Plant Secure Landfill Cell 3 Operating Permit Renewal Request.
November 10, 2015	Michael Elsner of ALCOA letter to John Gorman of EPA, further information concerning ALCOA Massena West Plant Secure Landfill Cell 3 Operating Permit Renewal Request.
July 25, 2016	Peter R. Taylor, P.E. of NYSDEC letter to Michael Elsner of ALCOA providing conditional approval of the design for Cell 3 expansion.

The Approval of the re-opening of Cell No. 3 of the Arconic/Alcoa landfill is pursuant to the federal regulations concerning PCBs promulgated pursuant to the Toxic Substances Control Act and contained in Title 40, Part 761 of the Code of Federal Regulations (40 C.F.R. Part 761). Approval to re-open Cell 3 is based on Alcoa's application and supporting documents. The disposal of PCBs in the Arconic/Alcoa landfill is subject to compliance with the federal regulations at 40 C.F.R. Part 761, the conditions in this Approval letter, and adherence to the specifications and procedures in Alcoa's application, and conditions contained in the approval to re-open Cell 3 issued by NYSDEC.

Waivers of the distance to groundwater requirement and a specific groundwater analysis requirement concerning chlorinated organics contained in 40 C.F.R. § 761.75 were granted in EPA's July 20, 1993 approval of the landfill. EPA has re-evaluated the basis for the waivers and finds that it is appropriate to re-authorize the waivers for the re-opening of the existing Cell 3.

The period during which the Arconic/Alcoa landfill Cell 3 may receive PCB waste is five years from the date of Arconic's notification of its acceptance of the terms of this Approval, unless the NYSDEC authorization for operation of Cell 3 is not extended beyond August 31, 2020, in which case Arconic shall immediately submit plans to permanently close the facility by August 31, 2021.

PCB waste which may be disposed in the re-opened Cell 3 of the landfill is limited to sediments (including stabilization and bulking agents) and miscellaneous contaminated debris, (*e.g.* Remedial Options Pilot Study ("ROPS") and staging area wastes) associated with the dredging of the Grasse River only. The maximum permitted volume of waste disposed in Cell 3 is 89,000 cubic yards, including waste already disposed in Cell 3.

EPA Region 2 finds that the operation of a re-opened Cell No. 3 of the Arconic/Alcoa landfill in accordance with the conditions and requirements of this Approval, NYSDEC's approval to re-open Cell 3, and EPA's original Cell 3 approval letter including Appendix A attached thereto (to the extent the conditions and requirements do not conflict with the conditions and requirements contained in this Approval) will not present an unreasonable risk of injury to health or environment from PCBs.

EPA is reviewing the design for the proposed expansion of Cell 3 as submitted by Alcoa to NYSDEC and EPA. NYSDEC has determined the design is acceptable, and has specified conditions which Arconic must meet before NYSDEC will grant approval for construction. NYSDEC also must approve an operations and maintenance plan for a Cell 3 expansion. Construction of an expanded Cell 3 and its operation also requires a future, separate approval from EPA. No waste shall be placed in any proposed expansion area of Cell 3 until authorization to do so is provided to Arconic by both NYSDEC and EPA.

If a Cell 3 expansion is not approved, or, if approved, is not constructed, Arconic shall close the re-opened Cell 3 when it reaches full capacity or when its operating term as specified in this Approval ends. The closure shall be in in accordance with a closure plan that includes design specifications and operating procedures, including long-term monitoring, submitted to and approved by EPA and, if appropriate, by NYSDEC. Upon completion of closure of the re-opened Cell 3, Arconic shall submit to Region 2 an independent registered engineer's written certification, including as-built drawings, that the closure construction was completed in accordance with the approved closure plan and design specifications.

The public was made aware of the proposed use of the Arconic/Alcoa chemical waste landfill to receive waste removed from the Grasse River site at public informational meetings concerning the Grasse River remediation held in the Massena Town Hall and the Massena High School on November 12, 2012 and in the St. Regis Mohawk School and at the Office for the Aging at the Mohawk reservation, Akwesasne, on November 15, 2012. No objections to the use of the landfill were raised at the meetings or in the more than 400 comments EPA received during a 2 month public comment period held in 2012 on the Grasse River remediation project. In addition, EPA posted a draft of this letter on the EPA website, and invited public comments in the period August 29 to September 23, 2016. ALCOA submitted comments to EPA on the draft of this letter, which EPA has taken into account in preparing the final Approval letter. No other comments were received.

Financial assurance for the completion of final closure and long term maintenance and monitoring of Cell 3 and for a Cell 3 expansion, if such expansion is approved, is required under this Approval, and is subject to EPA approval. EPA has determined that provision of such financial assurance is necessary to ensure that Cell 3 and a Cell 3 expansion at the chemical waste landfill will not present an unreasonable risk of injury to health or the environment from PCBs. See 40 C.F.R. § 761.75(c)(3)(ii). Arconic or a successor transferee corporation shall establish financial assurance by choosing from the financial assurance mechanisms set forth in 40 C.F.R. § 761.65(g) (referencing provisions of Subpart H of 40 C.F.R. Part 264), or any combination of such mechanisms. The financial assurance documentation shall be established on

a timetable specified by EPA after consultation with Arconic or a successor transferee corporation.

The documentation shall include a cost estimate on which the amount of financial assurance is based. The cost estimate and the amount of financial assurance provided pursuant to this Approval shall be reviewed and adjusted, subject to EPA approval, every five years or at such other time as EPA may specify. Any change to approved financial assurance mechanism(s) shall be subject to EPA approval.

Arconic or a successor transferee corporation shall be responsible for the actions of all individuals, contractors or agents which are involved in activities relating to this Approval.

Arconic's obligations under this Approval shall be binding on any successor of Arconic Inc. whether such successor is created by merger, corporate reorganization, divestiture, or otherwise. Pursuant to 40 C.F.R. § 761.75(c)(7), Alcoa notified EPA that the property on which the landfill is located, and the landfill itself, were to be transferred to Arconic as part of a corporate reorganization. The transfer occurred effective November 1, 2016, and Alcoa's name was changed to Arconic Inc. as of that date. The notification also noted that the property on which the landfill is situated is currently owned by Long Sault/APGI, an Alcoa affiliate corporation, and that the property will be transferred to Arconic as soon as all necessary regulatory approvals are secured. Alcoa/Arconic will provide EPA with a notarized affidavit signed by such transferees which states that the transferees will abide by this Approval. The provisions of 40 C.F.R. § 761.75(c)(7) will apply to any future successors of Arconic Inc.

This Approval may be suspended, revoked, modified, or otherwise altered at any time if evidence indicates a violation of the conditions of this approval, or of 40 CFR Part 761, or of any other applicable rules or regulations has occurred, or if it is determined that the continued implementation presents an unreasonable risk of injury to public health or the environment. Furthermore, receipt of evidence that misrepresentation of any material fact has been made in the application, or that all relevant facts have not been disclosed, shall constitute sufficient cause for suspension, revocation or modification of this approval. Any change or modification in requirements or conditions of this Approval proposed by Arconic, including any proposal to permit PCB wastes from additional sources to be placed in the re-opened Cell 3, must receive prior written approval from EPA to become effective.

Failure to comply with the conditions of this Approval constitutes a violation of the Approval, which may result in an enforcement action under the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*

This Approval shall become effective on the date the Director of the Division of Enforcement and Compliance Assistance, EPA Region 2 receives written notification from Arconic of its acceptance of, and intention to comply with, the terms and conditions of this Approval. This proposed Approval may be withdrawn if such notification from Arconic is not received within forty-five (45) calendar days of the date herein.

Sincerely,

Dore LaPosta, Director

Division of Enforcement and

Compliance Assistance

cc: Peter R. Taylor, NYSDEC Region 6 Headquarters